

## Permanent Source Meeting – San Diego June 2, 2008

The Department of Housing and Community Development held the eighth Permanent Source meeting on June 2, 2008. The meeting was held in San Diego and was sponsored by SANDAG, San Diego Regional Chamber of Commerce, the University of San Diego Burnham-Moores Center for Real Estate, and the San Diego Housing Federation.

### What should the Permanent Source fund?

- Inclusionary housing tends to be located in the suburbs far from city center; given price of gas, commuters and green building considerations, there should more affordable housing in zones with mass transit and TOD areas.
- BIA suggests more balance between market rate and affordable housing to satisfy both types of community needs.
- Eliminate regulatory barriers at local jurisdiction level to build housing at all income levels.
- Gave example of Irvine—started a land trust. Price of land is so high; need to deal with it because regulatory reform doesn't go far enough.
- City Councils don't recognize principle of supply and demand – need substantial money for infrastructure based on the number of building permits issued.
- Housing providers need money for infrastructure and need incentives for housing, like they do for parks.
- Most important mission of my organization is catalytic funding sources; such as money for infrastructure to local jurisdictions for supply of housing for communities.
- Stronger coordination and collaboration between infrastructure and housing to minimize time to complete project and maximize resources.
- MAAC Project suggests focus on rental housing preservation and new construction for low income residents and land banking.
- Have flexibility at local level; localities should regulate where/how funds are used.
- Encourage joint ventures between Redevelopment agencies and jurisdictions.
- Suggested using redevelopment excess set aside money in another area.
- Tax increment money is the best income and has been successful and works well.
- Need more money for supportive housing; they are the constituents most in need of housing.
- Consider housing needs of disabled and mentally ill.
- Would like to see MHP program stay in place – focus on 60% of AMI.
- Match money to redevelopment agencies/areas.
- Look at redevelopment law that penalized working or building outside of the redevelopment area—need to change.

- Acquisition and rehabilitation units should have same value as new construction units to meet inclusionary housing requirements.
- Money should be flexible and programs should be flexible in order to use the money and get it out quickly.
- Suggested that transit agencies work with Caltrans to support urban infill projects.
- Incentives for green building.
- Stop diverting money intended for TOD/Transportation, such as the gas tax, to fix deficits or balance budget. (State level)
- MHP program is great. Need to target the low-income people, such as seniors, homeless and disabled.
- Workforce housing is needed. – People are leaving San Diego county because cannot afford to buy a home, although can afford to rent.
- Increase workforce income limits to 120%-200% of AML.
- Suggested that State allocate funds to local agencies to bridge the gap and spend on costs, not including salaries; similar to CalHFA's 'forward commitment program.
- Housing demand is not being met.
- Many displaced homeowners and renters due to foreclosures.
- Keep MHP program.
- Address major gaps.
- Affordable rental housing needs to cover wide range of income levels (from homeless to homeownership).
- Will get more support politically if we address all parties.
- Focus not only on the number of units, but on the number of families helped.
- May be able to help more people by giving silent seconds and mortgage assistance for homeownership.
- Incentives to complete projects in short period of time. We should be setting minimum timeframes, not maximum.
- Streamline projects – regulations need to be lowered.

### How should money be distributed?

- Need as much flexibility as possible.
- Leveraging is good.
- HCD should encourage public/private partnerships.
- Distribute the funds locally, similar to block grants, CDBG and Federal programs. Tie funds to housing element so as to let local areas meet their communities acknowledged needs. More regional distributions; State takes care of small regions and big cities can receive money directly.
- By distributing to local communities directly you can address needs of community better.
- Tax credit program is very successful – model this program. Leveraging is good and public/private partnerships are good.
- Funding that is tied to building permits is a good model.
- Programs need to meet geographical pressures.

- There is not enough local/city money; for example, the city of San Diego could leverage with State money so the State would help fund local gaps.
- Local participation (not financial). If State provides funds, the community can fast track the project.
- CalHFA Help Loan Program is a great program – model this.
- Chamber of Commerce is very concerned about workforce housing.
- There is a disconnect between local elected officials and the State. Funds should be regionally allocated; attention goes to where money is.

### What sources should we use?

- Real Estate transfer tax.
- Document recording fees.
- Fees on affordable housing should be exempt because housing is for meeting health and safety problems which is in the interest of the public.
- Incentive program for nonprofit, hospital, school and private partnerships.
- Suggested that housing authorities, redevelopment agencies and commissions buy land and then secure developer via RFP—this would simplify affordable housing process.
- Amount of potential revenue needs to be sustainable.
- Nexus between sources and housing.
- Minimum legal barriers.
- Serve a broad range of groups.
- Needs to be a stable and reliable source.
- Document recording fee.
- Lottery tax.
- Restore DMV fee.
- Real estate transfer fees.
- Look at sources from a broad range of contributors.
- Sales tax.
- Look at nexus in funding sources; for example, employers need to recruit employees who need to be able to live near work and parents want to live close to schools.
- Give real estate industry incentives to a lower transfer tax or will not get support from CAR.
- Tax on Greenfield development.